

# Office of the Internal Auditor

Committee Presentation

Joe Martins

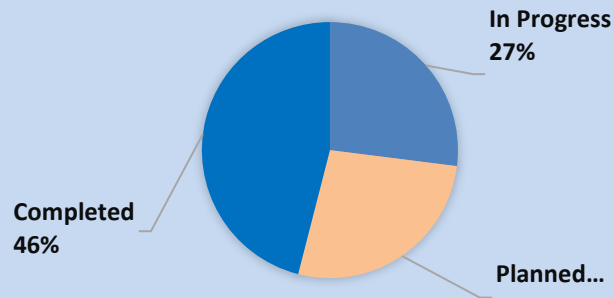
June 25, 2025



# Internal Audit

## Progress: 2025 Q1 to 2025 Q4

### Engagements by Status



### Q2 Completed Engagements

- Office of General Counsel Review
- Procurement/Contracting Process
- System Integrations
- Asset Management

OIA Quality Assurance Improvement Program (QAIP)

### Q3 Engagements – In Progress

- Claims IA Invoice Processing
- Third Party Risk Management – SOC Process
- Purchasing Card
- Print Mail
- Enterprise Risk Management
- Premium Invoicing, Refunds & Suspense Account
- Agency Compliance

### Q4 Planned Engagements

- Escheatment
- Corporate Insurance Coverage
- CBIS Segregation of Duties
- Software Asset Management
- Personal Lines Underwriting
- FNOL Assignments

# Internal Audit

## 2025 Plan Alignment with Risk

The 2025 audit plan follows a risk-based rolling approach, ensuring alignment with Citizens' evolving risk landscape.

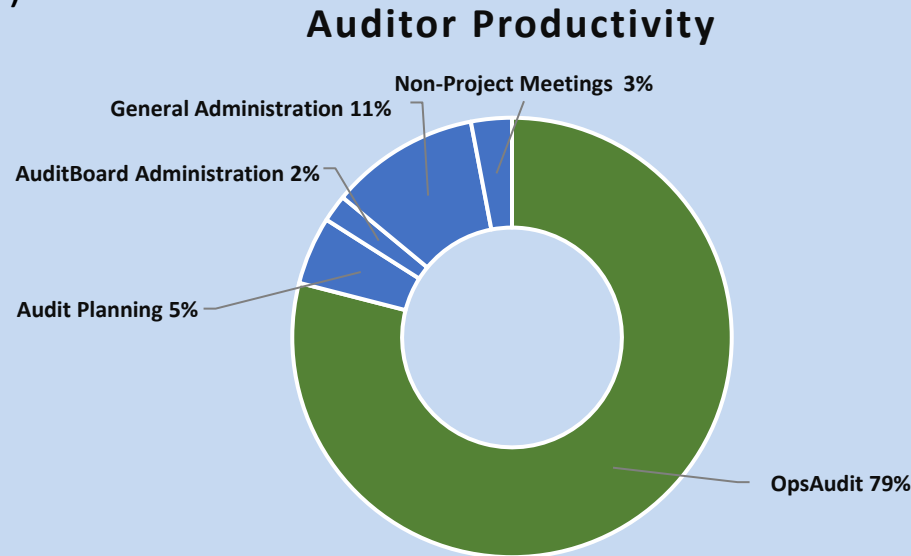
The audit plan aligns with the organization's top risks, ensuring a strategic focus on key practices and processes that enhance risk mitigation.



# Internal Audit

## Performance Metrics

To measure the effectiveness of Internal Audit, we track some key performance indicators (KPIs):

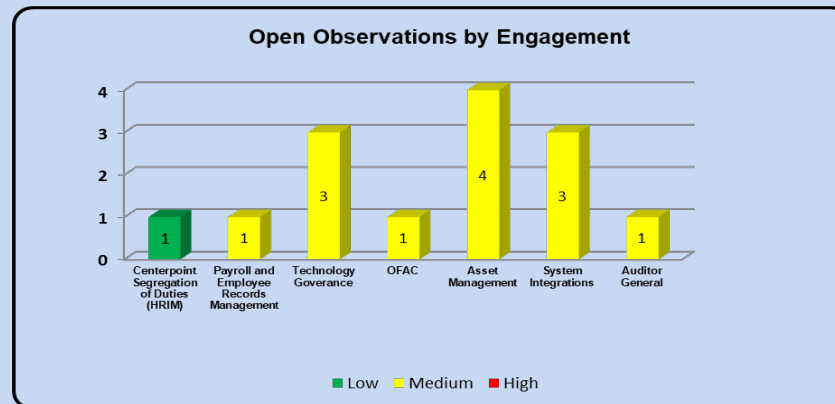


- **Audit Plan Completion Rate:** 100% of audit engagements for the quarter.
- **Issue Closure Rate:** 100% of observations addressed within the agreed time, the open observations are expected to be addressed within the agreed time.
- **Auditor Productivity:** 80% We monitor productivity and expect auditors to focus a minimum of 80% of their time on the projects they work on.

# Internal Audit

## Audit Observations

During this reporting period, we identified key risks and opportunities for improvement across several areas.



- **No high-impact findings** – All observations are actively monitored, with corrective actions in progress.
- **Key issues addressed:**
  - **System Integrations** – Three medium findings were identified and agreed upon with management. SDLC, access monitoring and SOC reporting improvements are being implemented.
  - **Asset Management** – Four medium findings were identified and agreed upon with management regarding the treatment of physical assets.

# Enterprise Risk & Internal Controls

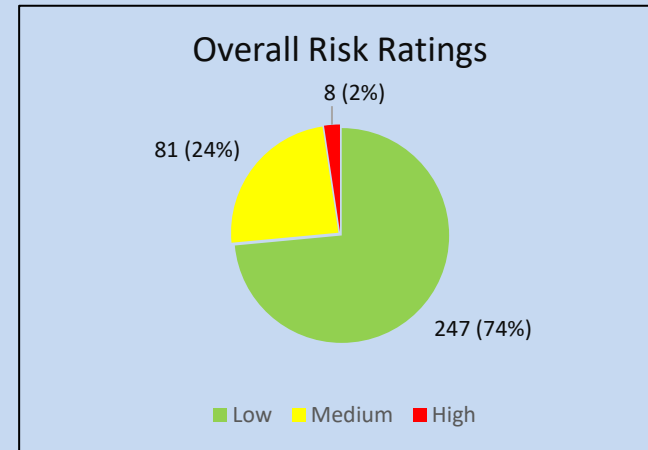
## Citizens' Top Risks

There are 6 high-rated strategic risks:

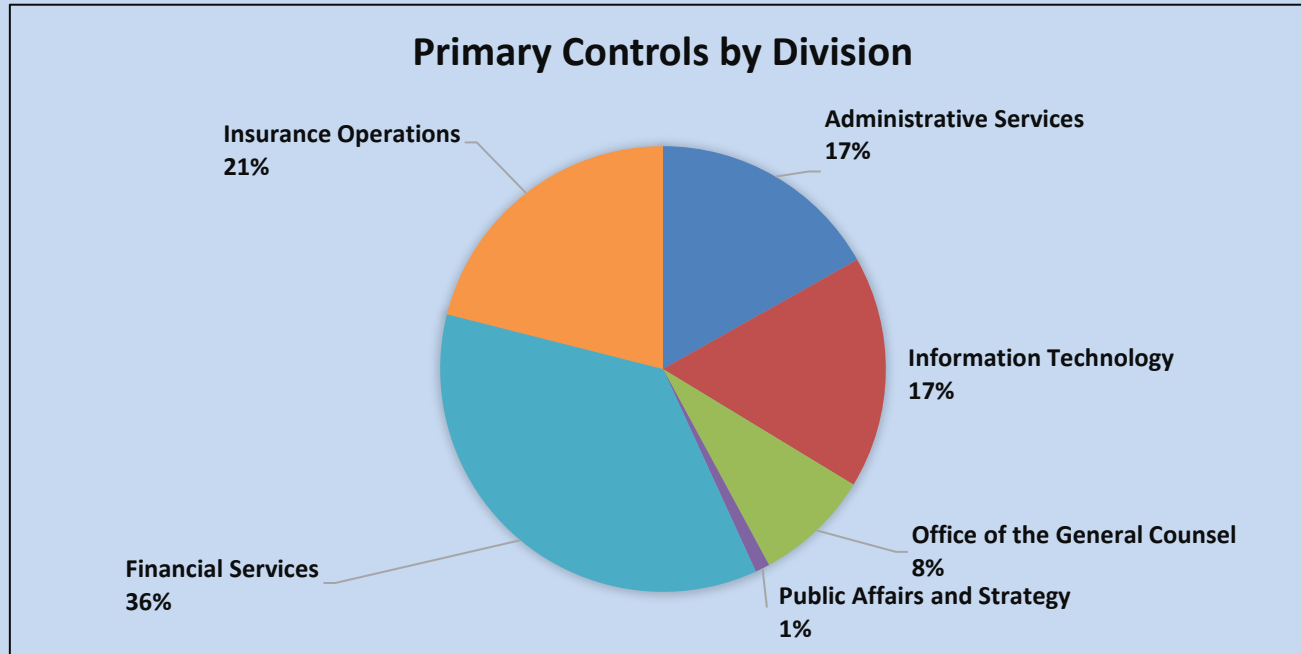
- Acquisition of Reinsurance
- CAT Response
- Claims Abuse
- Cyber Threats
- Rate Differential
- Strategic Workforce
- Risk mitigation plans have been updated.

## Operational & Project Risks

- 31 operational risk assessments have been completed, with 6 currently in progress.
- 2 high-rated risks are being closely monitored until the successful implementation of ELMS.



# Internal Controls



## Internal Controls

- The 2025 control self-assessments are in progress for 95 primary controls and are on schedule for completion by year-end.
- Internal Controls & Compliance are collaborating to ensure that the CSAs address higher-risk laws, rules, and regulations to provide additional evidence to demonstrate compliance.